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**FISCAL IMPACT STATEMENT**

**LS 6618**  
**BILL NUMBER:** SB 235  
**SUBJECT:** Mental Health Pilot Project.

**NOTE PREPARED:** Feb 3, 2014  
**BILL AMENDED:** Jan 30, 2014

**FIRST AUTHOR:** Sen. Young R Michael  
**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill has the following provisions:

*Community Corrections Programs:* The bill requires community corrections programs to use evidence-based services, programs, and practices that reduce the risk for recidivism. It permits the community corrections board to coordinate or operate certain programs.

*Grants:* It establishes standards for the award of certain grants by the Department of Correction (DOC), and requires the DOC to consult with the Judicial Conference and the Division of Mental Health and Addiction (DMHA) before awarding grants.

*Mental Health and Addiction Forensic Treatment Services:* The bill defines "mental health and addiction forensic treatment services", establishes eligibility and treatment criteria, and creates the Mental Health and Addiction Forensic Treatment Services account to fund mental health and addiction forensic treatment services.

*Judicial Conference:* It requires the Judicial Conference to consult with the DOC and the DMHA before awarding financial assistance, and requires any person providing mental health and substance use treatment services be certified by the DMHA.

*Marion County Pilot Project:* The bill also establishes a three-year pilot project in Marion County to reduce recidivism by providing mental health and forensic treatment services. The bill extends Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) benefits for individuals participating in the Marion County mental health pilot project.

(The introduced version of this bill was prepared by the Criminal Law and Sentencing Policy Study

Committee.)

**Effective Date:** July 1, 2014.

**Summary of NET State Impact:** (Revised) The bill has indeterminate impact on the number of offenders admitted to a state correctional facility.

The bill establishes a new account to provide financial assistance to community corrections programs that address substance abuse treatment, mental health services, and other services for offenders placed on community supervision. The bill does not appropriate funds to the account.

The bill would allow Marion County Superior Court to conduct a pilot program that provides mental health and forensic treatment services to reduce the risk of recidivism among persons participating in a program involving community supervision, including diversion programs, alternate misdemeanor sentencing programs, probation, community corrections, and home detention.

The bill makes individuals participating in the Marion County pilot program eligible for TANF and SNAP benefits. Participants would have to meet income and other eligibility criteria to receive benefits.

The bill also sets a limit of 3% on the amount that may be spent to administer certain programs funded through the Judicial Center.

**Explanation of State Expenditures:** (Revised) *Judicial Conference:* The Judicial Conference would provide funding to develop and implement programs and services that address compliance with community supervision. Under the bill, the Judicial Conference would award financial assistance to courts based on proposed implementation of evidence-based practices or coordination of services with other community supervision agencies. There is no balance currently in this fund or an appropriation made for this purpose in the current budget bill.

(Revised) *Marion County Pilot Project:* Any expansion in the number of individuals who are eligible for TANF or SNAP benefits could increase state expenses for (1) TANF benefits and administration, (2) SNAP administration, (3) Indiana Manpower Placement and Comprehensive Training (IMPACT), and (4) Medicaid. Because the potential number of individuals who may qualify for these programs and who would be involved in the Marion County pilot project is unknown, increases in state expenses are indeterminable.

**Additional Information:**

*SNAP and TANF Program Information:* SNAP benefits are provided solely by the federal government. The state is responsible for 50% of the administrative costs of the SNAP program.

TANF assistance is shared between state and federal governments. However, the federal share is provided through a capped block grant allocation with a maintenance-of-effort (MOE) requirement. Program administrative costs in excess of the capped allocation are financed by the state. The state contributes roughly 1/3 of the benefits in the TANF program. Eligible individuals would receive a monthly TANF benefit amount of either \$90 or \$58.50, depending on family size.

*Maximum Duration of Benefits:* Currently, individuals with felony drug convictions who are participating in a reentry court program are eligible for SNAP and TANF for a maximum of 12 months.

More individuals could be eligible for SNAP and TANF benefits, but participants in the pilot project would still be required to meet income and other eligibility criteria for each program. For TANF, offenders would need to be parental adults and would only be able to receive TANF benefits for a maximum of 24 months (the maximum benefit period for all adults).

*IMPACT Program Costs:* If the number of individuals receiving SNAP and TANF benefits increases, some of these recipients could be required to participate in the IMPACT program. IMPACT program expenditures are shared evenly with the federal government, so increases in state expenditures would be partially offset with federal funds.

*Medicaid Eligibility:* Medicaid is a joint state-federal program where approximately 67% of program expenditures are reimbursed by the federal government. Expanding the number of individuals who are eligible for TANF could also increase the number of children who are Medicaid-eligible. As a result, state Medicaid expenditures could increase, but by an indeterminable amount.

**Explanation of State Revenues:** (Revised) *Mental Health and Addiction Forensic Treatment Services:* The bill establishes a new account, which may be used by the DOC commissioner, to provide financial aid for mental health and addiction forensic treatment services for people who have entered the criminal justice system as a felon or with a prior felony conviction and whose participation in a program is an alternative to commitment to the DOC. Money in the account would come from appropriations, grants, gifts, and bequests. The money in the fund would not revert to the state General Fund. The expenses of the account would be paid from the account, and funds not currently needed would be invested by the State Treasurer. The bill does not make an appropriation to the account.

**Explanation of Local Expenditures:** *Community Corrections Grants:* The bill requires that the programs be administered by DMHA-certified providers. Any change in program providers may have indeterminate implementation costs.

(Revised) *Marion County Pilot Project:* The bill may increase costs for the Marion Superior Court to establish a three-year pilot project to provide mental health and forensic treatment services to reduce the risk of recidivism among program participants. If established, the Court is to report to the Legislative Council each October 1 on the recidivism rates of participants, the cost and cost savings of the program, opportunities for replication, and other information requested by the Legislative Council. Any increase in cost to the Marion Superior Court would depend on the amount of grant money or fee revenue received and the staffing requirements of the pilot program.

Participants in the pilot project must be in a program under court or corrections supervision, such as probation, community corrections, or home detention, but they may not be sex or violent offenders or convicted of certain crimes.

If participants are not eligible for SNAP or TANF, these individuals could seek local township assistance benefits. By expanding SNAP and TANF eligibility to participants in the Marion County pilot project, local governments could see a reduction in township assistance applications. However, any decrease is indeterminable.

**Explanation of Local Revenues:** Community corrections and the Marion County Recidivism Reduction Pilot Project established under the bill may receive grants and financial assistance based on the proposed implementation of evidence-based practices or the proposed coordination of services with other community supervision agencies.

**State Agencies Affected:** DOC, DMHA, Family and Social Services Administration.

**Local Agencies Affected:** Community corrections programs; DMHA-approved providers; County probation; Marion Superior Court; Township trustees.

**Information Sources:** State Auditor's data; Jane Segal, Indiana Court Administration.

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